



Thursday, April 5, 2012

Before using Use Tax Lookup Table, check if you owe "use tax"

By Imperial Valley Press Staff

SACRAMENTO — The deadline for Californians to file personal income tax returns has been extended to April 17 this year, and Board of Equalization vice chairwoman Michelle Steel wants to remind taxpayers to check if they owe “use tax” using the Use Tax Lookup Table provided with their income tax returns.

In 2011, the Legislature passed a law requiring the State Board of Equalization and Franchise Tax Board to create a Use Tax Lookup Table. Californians will find the table included in the instructions that accompany tax forms 540, 540A, and 5402EZ.

“Use tax is not computed based on income, but on taxable [purchases](#) for which sales tax was not collected,” said Steel in a statement in a press release. The Lookup Table allows taxpayers to estimate “use tax,” based on California Adjusted Gross Income, on any number of non-business purchases of individual items less than \$1,000 each. Taxpayers may choose to use the lookup table to estimate tax they might owe if they do not have the receipts documenting actual purchases.

What is “use tax”?

In its simplest form, it is tax due on any item bought from an out-of-state retailer that will be “used” in California, that if [purchased](#) in the state would have been subject to sales tax. Generally, the use tax rate is equal to your local sales tax rate.

“While all Californians have an obligation to pay use tax if they owe it, they do not have to estimate an amount that is greater than what they actually owe,” said Steel.

Use tax is not an “Internet tax.” It has been on the [books](#) since 1935.

The Use Tax Lookup Table is estimated to bring in \$10.6 million annually, and is considered an important tool to help close California’s \$1.1 billion use tax gap.

For more information on sales and use tax rates, visit
www.boe.ca.gov/sutax/pam71.htm, or call 800-400-7115.

Use tax lookup table: http://www.boe.ca.gov/info/use_tax_table.html

Use tax frequently asked questions: <http://www.boe.ca.gov/sutax/faqusetax.htm>
[To comment on this story click here to be directed to Facebook.](#)